Collège universitaire de Saint-Boniface

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June 27, 2007

Council on Post-Secondary Education
410–330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

Dear Madam,

At its meeting on June 26, 2007, the Bureau des gouverneurs [board of governors] of the Collège universitaire de Saint-Boniface adopted the Consolidated Financial Statements for the year ended March 31, 2007.

As agreed, I am pleased to provide seventy copies of the statements, the original of which was duly signed by the Chair of the board of governors, Mr. Michel Tétreault, and the Acting President, Mr. Léonard Rivard.

Yours truly,

"Rachel Bradet"
Office Manager
Office of the President

c.c.: Normand Collet, Director – Finance and Human Resources

Encl. (70)

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE

Consolidated Financial Statements
For the year ended March 31, 2007

BDO Dunwoody LLP
Chartered Accountants
and Advisors

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE

Consolidated Financial Statements
For the year ended March 31, 2007

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Auditors' Report

To the Legislative Assembly of Manitoba
To the Board of Governors
Collège universitaire de Saint-Boniface

We have audited the consolidated statement of financial position of **Collège universitaire de Saint-Boniface** as at March 31, 2007, and the consolidated statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of **Collège universitaire de Saint-Boniface's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **Collège universitaire de Saint-Boniface** as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP
Chartered Accountants

Winnipeg, Manitoba
May 11, 2007

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Statement of Financial Position

As at March 31	2007	2006
	$000	$000
Assets		
Current assets		
Cash and cash equivalents (note 3)	19,678	19 783
Accounts receivable and other assets	4,280	3,087
	23,958	22,870
Capital assets (note 4)	12,555	12,572
	36,513	35,442
Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities	3,663	3,506
Deferred income	523	677
Deferred contributions (note 5)	978	596
	5,164	4,779
Fund Balances		
Unrestricted	1,257	1,279
Internally restricted (note 10)	8,657	8,462
Investment in capital assets	12,555	12,572
Endowment	8,880	8,350
	31,349	30,663
	36,513	35,442

Approved by Collège universitaire de Saint-Boniface board of governors.

"[M. Tétrault]", Chair
"L. Rivard", ~~President~~ Acting President

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Statement of Changes in Fund Balances

For the year ended March 31

	Unrestricted $000	Internally Restricted $000	Investment in Capital Assets $000	Endowment $000	2007 $000	2006 $000
Balance, beginning of year	1,279	8,462	12,572	8,350	30,663	28,376
Excess of revenues over expenses	724	-	(568)	530	686	2,287
Appropriated to internally restricted fund (note 10)						
Interest income	(195)	195	-	-	-	-
Transfers						
Capital assets purchased	(551)	-	551	-	-	-
Net change for year	(22)	195	(17)	530	686	2,287
Balance, end of year	1,257	8,657	12,555	8,880	31,349	30,663

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Statement of Operations

For the year ended March 31	2007	2006
	$000	$000
Revenues		
Grants - provincial	10,816	10,728
- federal	4,043	4,178
Tuition fees	3,318	3,069
Other revenues	1,668	2,029
Interest	846	872
Donations	589	528
Total - Revenues	21,280	21,404
Expenses		
Salaries and fringe benefits	14,193	13,749
Supplies and other expenses	4,289	3,213
Amortization	870	856
Travel and conferences	434	405
Scholarships and awards	410	402
Utilities	398	492
Total - Expenses	20,594	19,117
Excess of revenues over expenses	686	2,287

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Statement of Cash Flows

For the year ended March 31	2007	2006
	$000	$000
Cash flows from operating activities		
Excess of revenues over expenses	686	2,287
Items not affecting cash flow		
Amortization	870	856
Profit on sale of capital assets	-	(131)
	1,556	3,012
Decrease (increase) in working capital		
Accounts receivable and other assets	(1,193)	(795)
Accounts payable and accrued liabilities	157	237
Deferred income	(154)	(67)
Deferred contributions	382	(473)
	748	1,914
Cash flows from investing activities		
Purchase of capital assets	(853)	(3,677)
Sale of capital assets	-	570
	(853)	(3,107)
Net decrease in cash and cash equivalents	(105)	(1,193)
Cash and cash equivalents, beginning of year	19,783	20,976
Cash and cash equivalents, end of year	19,678	19,783

The accompanying notes are an integral part of these consolidated statements.

As at March 31, 2007

1. Authority and objectives

The **Collège universitaire de Saint-Boniface** (CUSB) was incorporated in the Province of Manitoba in 1871. It is governed by its board of governors and operates under the authority of *Le Collège universitaire de Saint-Boniface Act*, C.C.S.M. c. C150.2.

The CUSB's objectives are to meet the educational needs of Manitoba's and Canada's Francophone communities and to promote their linguistic, cultural, economic and social well-being. In order to achieve these objectives, the CUSB provides a broad range of opportunities in the areas of education and research.

The CUSB is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the *Income Tax Act*.

2. Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. CUSB has adopted the fund accounting method and the restricted fund method of recognizing contributions. Restricted contributions are recognized as revenue in the year in which corresponding expenses are incurred. Unrestricted contributions are recognized as revenue when received. Endowment contributions are recognized as direct increases in net assets, as are contributions providing for the acquisition and development of capital assets.

2. Summary of Significant Accounting Policies and Reporting Practices (cont'd)

CUSB has three main funds: General Operations, Endowment and Capital Assets.

The General Operations fund accounts for CUSB program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants. It includes but is not limited to the following operations and activities:

- university (Secteur Universitaire);
- community college (École technique et professionnelle);
- continuing education (Éducation permanente);
- Institut Joseph-Dubuc;
- Centre de recherche which includes the Centre d'études franco-canadiennes de l'ouest, and contributions for research;
- special projects and certain administrative operations, i.e. IT operations and Multimedia Centre and special purposes other than capital asset acquisition and development (Fonds administratif);
- internally restricted funds.

The Endowment fund reports the resources contributed for student awards such as bursaries and scholarships. Investment income earned on these resources is reported in the Endowment fund.

Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair market value at the date of donation. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are

Buildings and improvements	60 years
Equipment, furniture and furnishings	10 years
Information Technology hardware and software	5 years

Amortization is reported in the Amortization Fund.

Library acquisitions (books, periodicals, video, audio, etc.) are catalogued and expensed in the year of acquisition. The rare book collection, most of which is donated, is inventoried and insured, but its contents are not recorded and amortized as capital assets. No estimate of the cost of this collection is available.

2. Summary of Significant Accounting Policies and Reporting Practices (cont'd)

Gifts-in-kind are occasionally received by CUSB. Their fair market value is reported if it is possible to provide a reasonable estimate thereof. Gifts-in-kind are not amortized. The value of such gifts received during the period ended March 31, 2007 was approximately $50,000, and not deemed significant in prior years.

Inventories

Purchases of supplies are expensed in the year of acquisition; the value of inventories is considered insignificant and not recorded at year-end. CUSB contracts out food services and does not operate a bookstore.

Investments

Investments are recorded at the lower of cost and market value.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Operations fund in the year in which the related expenses are incurred, or the project or activity is completed. All other restricted contributions are recognized as revenue of the appropriate restricted fund, being either the Endowment or the Capital Assets fund.

Unrestricted contributions are recognized as revenue of the General Operations fund in the year received.

Contributions for endowment are recognized as revenue in the Endowment fund. Investment income earned on Endowment fund resources, whether restricted or unrestricted, is recognized as revenue of the Endowment fund. As the purpose of contributions to the Endowment fund is to provide student awards such as bursaries and scholarships, and as investment income earned on resources contributed for these purposes is related, the Endowment fund in its entirety is considered an externally restricted fund, not to be used for any purpose other than for student awards.

Other investment income, as earned on non-Endowment resources, is recognized as revenue of the General Operations fund.

Internally Restricted Funds

The Board of Governors has established provisions for various known and unexpected purposes, events and circumstances. These provisions represent transfers of unrestricted assets from the General Operations fund.

Each year, the Board makes determinations as to withdrawals from and additions to these provisions. A Board policy governs the process of establishing, discontinuing, adding to and withdrawing from these provisions.

Volunteer Services

Volunteers contribute hundreds of hours per year to assist CUSB programs and activities. Notwithstanding the substantial value of these services, because of the difficulty of determining their fair value, volunteer services are not recognized in the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents are recognized as follows:

	2007	2006
	$000	$000
Cash	**(44)**	171
Short-term investments*	**19,722**	19,612
	19,678	19,783

CUSB has a line of credit to a maximum of $1,000,000 bearing interest at prime plus 0.25%. This line of credit was not being used as at March 31, 2007.

*Includes deposit receipts, treasury bills, coupons, and government bonds.

The fair market value of the short-term investments at March 31, 2007 was $19,914,517 ($19,627,216 at March 31, 2006).

As at March 31, 2007

4. Capital Assets

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
	$000	$000	$000	$000
Buildings and improvements	17,384	7,342	10,042	9,567
Equipment, furniture and furnishings	4,489	2,545	1,944	2,187
Computer hardware and software	6,250	5,681	569	818
	28,123	15,568	12,555	12,572

5. Deferred Contributions

Deferred contributions represent unspent contributions received for projects and similar endeavours, and unspent funds for externally restricted purposes. Changes in the deferred contributions are as follows:

	2007	2006
	$000	$000
Balance, beginning of year	596	1,069
Contributions received	1,916	1,442
Transfers to revenue	(1,534)	(1,915)
Net change in year	382	(473)
Balance, end of year	978	596

6. Employee Benefit and Pension Plan Obligations

Employee future benefits other than pension, represent medical, dental and life insurance and disability plan commitments, met jointly through premiums to insurers by CUSB and its employees. CUSB has a self-insured short-term disability plan, and meets these costs as absences due to illness or accident arise. Faculty study and sabbatical leaves are expenses in the year taken. CUSB accrues a liability for the future vacations of its faculty and other staff, and with respect to administrative leaves.

CUSB's pension plan is a money-purchase plan; its required contributions to these plans represent CUSB's full obligation, and there is no contingent liability related to the investment performance of the plan.

7. Financial Instruments

The financial instruments of CUSB consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that CUSB is not exposed to significant interest, currency or credit risks arising from these financial instruments. CUSB has not purchased financial derivatives, either as hedging instruments in relation to foreign exchange or interest rate risk, or to manage foreign exchange positions.

8. Commitments

CUSB has lease obligations that cover equipment integral to operations. The lease obligations expire at various dates over the next five years. These lease contracts require annual payments of less than $125,000 per annum.

9. Property Taxes

Property taxes were $5,784 (2006–2007), as compared to $118,493 (2005–2006). In 2001, the Government of Manitoba announced the phasing out of property taxes on universities over a five-year period; provincial grants were not reduced.

10. Internally Restricted Fund Balances

	Opening	Transactions Additions	Withdrawals	Closing
	$000	$000	$000	$000
Bursary and scholarship	2,123	49	-	2,172
Fundraising campaign/ gift-matching	1,060	24	-	1,084
Strategic projects	1,291	30	-	1,321
Major capital projects	1,639	38	-	1,677
Transition funding for programs and services	2,349	54	-	2,403
	8,462	195	-	8,657

Internally Restricted Fund Balances

In accordance with the current policy, internally restricted funds bear interest at the consumer price index rate of 2.3% (2% in 2005-06) per annum; this to protect the balances of the funds from inflation.

Internally restricted funds include unrestricted fund balances of the General Operations Fund that are designated as internally restricted by the board of governors.

A brief description of each internally restricted fund follows:

Bursary and Scholarship - investment income on the balance of this fund is available to enhance the annual budgetary allocation to student awards derived from the externally restricted fund dedicated to endowment as well as annual gifts and grants.

Fundraising Campaign / Gift Matching - these funds are available to supplement, as required, resources available for the purpose of organizing a major fundraising campaign and for the gift- and contributions matching program.

Strategic Projects – these funds are used to make up the difference between the amounts needed and the resources available to complete projects or to undertake short-term strategic projects. The following project categories have been selected among others:

a) research – funds available to supplement the General Operating Fund used for research projects undertaken by professors;
b) library – funds available to supplement the General Operating Fund in order to purchase teaching and research materials;

c) recruitment, marketing, student support, language support, safety program and other operating projects: funds available to supplement basic needs on a case by case basis when available resources are insufficient.

Major Capital Projects – funds available to carry out preliminary phases of expansion projects at the CUSB, to cover a portion of capital costs for projects or to acquire additional capital property.

Transition Funding for Programs and Services – funds available to maintain, over the short term, programs or services affected by a decrease in government funding or a partial or total withdrawal of funding.

It is to be noted that the presentation of the internally restricted fund balances was amended by the board of governors since the previous reporting period in order to simplify the fund categories. The year-end balance for 2005-06 remains the same.

11. Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

12. Comparative Figures

Some figures for the preceding financial period were reclassified to ensure consistency with the presentation for the current period.

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Detailed Schedule of Financial Position by Fund

As at March 31

	General Operations $000	Capital Assets $000	Endowment $000	2007 $000	2006 $000
Assets					
Current assets					
Cash and cash equivalents (note 3)	10,783	-	8,892	19,678	19,783
Accounts receivable and other assets	4,195	-	85	4,280	3,087
	14,981	-	8,977	23,958	22,870
Capital assets (note 4)	-	12,555	-	12,555	12,572
Interfund balance	97	-	(97)	-	-
	15,078	12,555	8,880	36,513	35,442
Liabilities and Fund Balances					
Current liabilities					
Accounts payable and accrued liabilities	3,663	-	-	3,663	3,506
Deferred income	523	-	-	523	677
Deferred contributions (note 5)	978	-	-	978	596
	5,164	-	-	5,164	4,779
Fund balances					
Unrestricted	1,257	-	-	1,257	1,279
Internally restricted (note 10)	8,657	-	-	8,657	8,462
Investment in capital assets	-	12,555	-	12,555	12,572
Endowment	-	-	8,880	8,880	8,350
	9,914	12,555	8,880	31,349	30,663
	15,078	12,555	8,880	36,513	35,442

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Detailed Schedule of Operations by Fund

For the year ended March 31

	General Operations $000	Capital Assets $000	Endowment $000	2007 $000	2006 $000
Revenues					
Federal grants	10,514	302	-	10,816	10,728
Provincial grants	4,043	-	-	4,043	4,178
Tuition fees	3,318	-	-	3,318	3,069
Other revenues	1,663	-	5	1,668	2,029
Interest	500	-	346	846	872
Donations	-	-	589	589	528
Total Revenues	20,038	302	940	21,280	21,404
Expenses					
Salaries and employee benefits	14,193	-	-	14,193	13,749
Supplies and other expenses	4,086	-	203	4,289	3,213
Amortization	-	870	-	870	856
Travel and conferences	433	-	1	434	405
Scholarships and awards	204	-	206	410	402
Utilities	398	-	-	398	492
Total Expenses	19,314	870	410	20,594	19,117
Excess of revenues over expenses	724	(568)	530	686	2,287

COLLÈGE UNIVERSITAIRE DE SAINT-BONIFACE
Detailed Schedule of Operations – General Operations Fund

For the year ended March 31

	University	Community college	Continuing education	Admin. fund	Institut Joseph-Dubuc	Research centre	2007	2006
	$000	$000	$000	$000	$000	$000	$000	$000
Revenues								
Provincial grants	7,113	2,851	93	457	-	-	10,514	9,299
Federal grants	619	416	201	2,429	178	200	4,043	4,178
Tuition fees	2,218	500	586	14	-	-	3,318	3,069
Other revenues	231	49	454	776	98	55	1,663	1,882
Interest	-	-	-	500	-	-	500	530
Total - Revenues	10,181	3,816	1,334	4,176	276	255	20,038	18,958
Expenses								
Salaries and employee benefits	8,411	3,027	1,026	1,517	85	127	14,193	13,662
Supplies and other expenses	1,592	582	218	1,385	240	69	4,086	3,177
Travel and conferences	163	66	71	92	23	18	433	400
Scholarships and awards	9	7	-	188	-	-	204	304
Utilities	260	51	10	77	-	-	398	492
Total - Expenses	10,435	3,733	1,325	3,259	348	214	19,314	18,035
Excess of revenues (expenses)	(254)	83	9	917	(72)	41	724	923